

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address HABERBUSH & ASSOCIATES, LLP DAVID R. HABERBUSH, ESQ., SBN 107190 VANESSA M. HABERBUSH, ESQ. SBN 287044 444 West Ocean Boulevard, Suite 1400 Long Beach, CA 90802 Telephone: (562) 435-3456 Facsimile: (562) 435-6335 E-Mail: vhaberbush@lbinsolvency.com <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: R&J Limited Partnership		FOR COURT USE ONLY	
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION			
In re: R&J LIMITED PARTNERSHIP and JRJ LIMITED PARTNERSHIP, Debtor(s).		CASE NO.: 2:15-bk-11029-NB CHAPTER: 11	
		(Jointly Administered with 2:15-bk-11040-NB)	
		NOTICE OF SALE OF ESTATE PROPERTY	

Sale Date: 05/21/2019	Time: 1:00 pm
Location: 255 E. Temple Street, Courtroom 1545, Los Angeles, CA 90012	

Type of Sale: ☒ Public ☐ Private

Last date to file objections: May 17, 2019 at 12:00 p.m.

Description of property to be sold:

Real Property Located at 675 East Wardlow Rd., Long Beach, CA

Terms and conditions of sale:

Purchase Price: \$935,000. Contingencies: (1) Release of lien held by Bayview Loan Servicing. Sale is "as is." The Real Property requires re-abandonment of two oil wells on the Real Property, along with other requirements. These details are set forth in the attached Notice of Motion.

Proposed sale price: \$ 935,000.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any):

Overbidding is permitted as set forth in the attached Notice of Motion.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

May 21, 2019 at 1:00 pm Pacific Time, in Courtroom 1545 of the Edward R. Roybal Federal Building and Courthouse located at 255 E. Temple Street, Los Angeles, CA 90012.

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Pacific West Associates
Edward Renteria
2155 Bellflower Blvd.
Long Beach, CA 90815
Phone: 562-212-5752

Date: 05/08/2019

HABERBUSH & ASSOCIATES, LLP
DAVID R. HABERBUSH, ESQ., SBN 107190
VANESSA M. HABERBUSH, ESQ. SBN 287044
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Attorneys for Reorganized Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

In re

R & J LIMITED PARTNERSHIP and
JRJ LIMITED PARTNERSHIP,

Debtor and Debtor-in-Possession.

Lead Case No. 2:15-bk-11029-NB

(Jointly Administered with 2:15-bk-11040-NB)

Chapter 11

**NOTICE OF MOTION FOR ORDER
AUTHORIZING THE SALE OF THE
ESTATE'S INTERESTS IN REAL
PROPERTY LOCATED AT 675 EAST
WARDLOW RD., LONG BEACH, CA, FREE
AND CLEAR OF ALL CLAIMS, LIENS,
AND INTERESTS PURSUANT TO 11 U.S.C.
§ 363**

Hearing Date

Date: May 21, 2019

Time: 1:00 p.m.

Ctrm: 1545

255 E. Temple Street
Los Angeles, CA 90012

**TO THE HONORABLE NEIL BASON, UNITED STATES BANKRUPTCY JUDGE;
THE OFFICE OF THE UNITED STATES TRUSTEE; ALL CREDITORS; AND ALL PARTIES
IN INTEREST AND THEIR COUNSEL OF RECORD:**

PLEASE TAKE NOTICE that on May 21, 2019 at 1:00 p.m. in the above-entitled courtroom located at 255 E. Temple Street, Courtroom 1545, Los Angeles, CA 90012, R & J LIMITED PARTNERSHIP, Reorganized Debtor and Debtor-in-Possession herein (hereinafter referred to as "Debtor" and/or "Movant"), will move this Court to for an order authorizing the sale of the estate's interests in the real property located at 675 East Wardlow Rd., Long Beach, CA (the "Real Property"),

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444 WEST OCEAN BOULEVARD, SUITE 1400
LONG BEACH, CA 90802

1 free and clear of all claims, liens, and interests pursuant to 11 U.S.C. § 363 (the “Motion” and/or
2 “Motion to Sell”).

3 **PLEASE TAKE FURTHER NOTICE** that this Motion is being heard on shortened notice
4 pursuant to LBR 9075-1. If you wish to oppose this Motion, you must file a written response to this
5 Motion with the Court and serve a copy of it upon Movant’s attorneys at the address set forth above no
6 later than May 17, 2019. Any opposition must be deposited via first class U.S. mail for service no later
7 than May 17, 2019 at noon.

8 This Motion will be based on this Notice of Motion, the Motion, the Memorandum of Points and
9 Authorities, the Declarations in support of the Motion, the Request for Judicial Notice in support of the
10 Motion, the Order Granting Application and Setting Hearing on Shortened Notice, and all papers,
11 pleadings, and records on file in this separate proceeding. These papers are served upon you
12 concurrently with this Notice. **Failure to timely file and serve any response or request for hearing**
13 **may be deemed by the Court to be consent to the requests in Movant’s Motion.**

14 **NOTICE IS FURTHER GIVEN** that a copy of the Motion will be provided to you upon your
15 request to Movant’s attorneys whose name, address and telephone number appear in the upper left-hand
16 corner of this notice.

17 **NATURE OF THE RELIEF SOUGHT**

18 As set forth in the Motion, Debtor is seeking an order authorizing Debtor to transfer and sell, free
19 and clear of all claims, liens, and interests, pursuant to 11 U.S.C. § 363(f), the real property located at
20 675 East Wardlow Rd., Long Beach, CA (the “Real Property”) to Jeffrey Lee Perry, who can be reached
21 through his broker, Edward Renteria of Pacific West Associates, whose address is 2155 Bellflower
22 Blvd., Long Beach, CA 90815. The Real Property is a vacant lot.

23 **Terms of the Sale for which Debtor Seeks Approval by the Motion**

24 By the Motion, Debtor seeks approval of the sale of the Real Property on the following terms:

25 **Terms of Offer for the Purchase of the Real Property.** On March 1, 2019, a Vacant Land
26 Purchase Agreement and Joint Escrow Instructions (the “Purchase Agreement”) was tendered by Jeffery
27 Lee Perry to Debtor offering \$935,000 for the purchase of the Real Property. A true and correct copy of
28 the Purchase Agreement is attached to the Renteria Declaration filed in support of the Motion as Exhibit

1 “3.” The Purchase Agreement was accepted by Debtor. The material points in the Purchase Agreement
2 are:

- 3 a. The Real Property be in escrow at the asking price;
- 4 b. Jeffery Lee Perry will pay all costs to remove or cap any oil wells or underground
5 storage tanks; and
- 6 c. Jeffery Lee Perry will take the Real Property “as is.”

7 The Purchase Agreement also indicates that the close of escrow will occur within 40 days after
8 the entry into the Purchase Agreement but that the parties understand that:

9 This is a short sale. The buyer is aware that this contract price is being accepted under
10 final approval of the lender and lien holder. The time periods for buyer to conduct their
11 investigations will commence once written approval is provided to the seller, buyer, and
escrow. *Additional days will be required to close escrow both parties are aware and agree.*

12 Purchase Agreement ¶8 (emphasis added).

13 The offer to purchase the real property by Jeffrey Lee Parry is subject to a higher and better offer
14 being made at the hearing on the Motion by any other party wishing to purchase the Real Property.

15 **Sale is Free and Clear of All Liens, Claims, and Interests.** Debtor seeks authority to sell the
16 Real Property, with appropriate findings by the Court, to the Jeffery Lee Perry or the Successful Bidder
17 free and clear of all liens (as defined in 11 U.S.C. § 101(37)), claims (as defined in 11 U.S.C. § 101(5)),
18 and interests (collectively, “Liens”), pursuant to 11 U.S.C. § 363(f). The Sale shall be free and clear of
19 the Liens and the Liens shall attach to the proceeds of the sale to the same priority, extent, and validity
20 as they now attach to the Real Property pursuant to 11 U.S.C. § 363(f). The following Liens encumber
21 the Real Property:

22 a. **County of Los Angeles Tax Assessor for Real Property Taxes.** It is estimated that
23 the total amount owed to the County will be for transfer taxes in the amount of approximately \$1,028.50.

24 b. **Bayview Loan Servicing (“Bayview”).** The Real Property is subject to first deed
25 of trust and a U.C.C.-1 financing statement securing obligations owed to Bayview in the sum of
26 \$1,040,684.37 as of December 29, 2014 according to the recorded Notice of Trustee’s Sale.¹ The debt
27

28 ¹ As discussed, the amount owed to Bayview is disputed and unknown.

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1 is secured by the first deed of trust against the Real Property and is also collateralized by the Additional
2 Real Property Collateral.² *All net proceeds of the sale, as discussed below, shall be paid to Bayview and*
3 *Bayview shall retain its lien on the Additional Real Property Collateral.* The estimated net proceeds
4 from the sale which will be paid to Bayview is estimated to be \$843,319.30. After completion of the
5 sale, the balance of the loan owed to Bayview will be in the sum of \$58,405.72 to \$506,747.83
6 (depending on the allowance of the amounts claimed by Bayview) and Bayview shall retain a lien on the
7 Additional Real Property Collateral, which have an estimated value of no less than \$1,000,000, to the
8 same extent and validity that it currently asserts without waiving any of Debtor's rights to object to the
9 amount claimed by Bayview.

10 c. Epps & Coulson, LLP. The Real Property is subject to a deed of trust securing
11 obligations owed to Epps & Coulson, LLP in the sum of \$250,000. Because the value of the Real
12 Property is less than the value of Bayview's lien, Epps & Coulson, LLP's claim of lien is totally
13 unsecured pursuant to 11 U.S.C. § 506(a)(1) as to the Real Property. Therefore, this claim is subject to
14 a bona fide dispute as to whether it secured by any value in the Real Property, and the Court may
15 approve the sale free and clear of this lien pursuant to 11 U.S.C. § 363(f). The liens of this creditor shall
16 attach to the proceeds of the sale of the Real Property to the same extent, validity, and priority as they
17 now attach to the Real Property and will continue to attach to the Additional Real Property Collateral.
18 Further, Epps & Coulson, LLP has consented to the sale.

19 d. Allco Enterprises Inc. dba Allco Leasing. A U.C.C.-1 financing statement
20 recorded April 14, 2003 by Allco Enterprises, Inc. dba Allco Leasing ("Allco"), and a related U.C.C.-2
21 continuation statement recorded March 31, 2008. These filings were against Foasberg Laundry and
22 Cleaners, Inc., Debtor's tenant and affiliated entity, Hilma Foasberg, and James Foasberg and Richard
23 Foasberg, principals of Debtor, and not Debtor. Additionally, these filings have lapsed and, therefore,
24 any liens created by them are disputed.

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26 _____
27 ² The term "Additional Real Property Collateral" has the same meaning as set forth in the
28 Motion, which is the other real properties of Debtor, located at 640 East Wardlow Rd., Long Beach, CA,
3373 Lime Avenue, Signal Hill, California, and 3355 Lime Avenue, Signal Hill, California, on which
Bayview's debt is also secured.

1 **Adequacy of Notice of the Sale.** Debtor seeks an order, with appropriate findings of the Court,
2 approving the adequacy of notice given to creditors and parties-in-interest of the hearing on the Motion.

3 **Court Approval.** While Debtor seeks approval of the sale of the Real Property, if Bayview
4 consents to the sale, Court authority to sell the Real Property is not required.

5 **Distribution of Proceeds.** The proceeds of the sale shall be distributed as follows:

6 a. **Payment of Costs of Sale.**

7 i. **Payment of Broker.** By the Motion, Debtor seeks authority to pay a six
8 percent (6%) commission to Pacific West Associates and Edward Renteria (collectively "Broker"),
9 whose address is 2155 Bellflower Blvd., Long Beach, CA 90815, from the purchase price of the Real
10 Property, resulting in a commission of \$56,100 if the purchase price is \$935,000. The agreement
11 between Debtor and Broker provides that Broker is to sell the Real Property on the basis that it will
12 receive no compensation except upon the consummation of any sale of the Real Property, in which event
13 Broker will receive a real estate broker's commission in an amount equal to six percent (6%) of the total
14 purchase price for the Real Property. Such commission may be shared with any other real estate broker
15 involved in the sale of the Real Property on behalf of an overbidder at the sale who is not Jeffery Lee
16 Perry, as is customary in the real estate industry, subject to disclosure to this Court. In the event that the
17 Real Property is sold on an overbid to a buyer not procured by Broker, Broker will nonetheless be
18 entitled to receive a real estate broker's commission equivalent to six percent (6%) of the accepted sales
19 bid for services rendered and expenses incurred in representing Debtor in marketing the Real Property
20 and any commission payable to the broker procuring the Successful Bidder shall be the responsibility
21 of Broker, as is customary in the real estate industry, subject to disclosure to this Court. At the hearing
22 on the Motion, Broker, as well as any broker who may have procured the Successful Bidder, will
23 disclose the dollar amount of the commission, based on the purchase price of the Real Property, and the
24 identities of any other broker sharing in the commission, so that it may be approved by the Court at the
25 hearing on the Motion. Debtor seeks authority to pay these amounts from the purchase price for the Real
26 Property without seeking further approval by the Court.

27 ii. **Payment of Escrow and Title.** By the Motion, Debtor seeks authority to
28 pay its own portion (one half) of the Escrow Fee and for owner's title insurance from the purchase price

1 of the Real Property. These fees and expenses are estimated to be \$3,184.50. Debtor seeks authority to
2 pay these amounts from the purchase price for the Real Property without seeking further approval by the
3 Court.

4 iii. Transfer Costs. By the Motion, Debtor seeks authority to pay the County
5 transfer tax or transfer fee and the City transfer tax or transfer fee from the purchase price of the Real
6 Property. Pursuant to the Purchase Agreement, Debtor shall pay the County transfer tax or transfer fee
7 and the City transfer tax or transfer fee. This fee is estimated to be \$1,028.50. Debtor seeks authority
8 to pay these amounts from the purchase price for the Real Property without seeking further approval by
9 the Court.

10 iv. Real Property Taxes. By the Motion, Debtor seeks authority to pay unpaid
11 real estate taxes owing to the Los Angeles County Tax Collector, estimated in the amount of \$861.31.
12 Debtor seeks authority to pay these amounts from the purchase price for the Real Property without
13 seeking further approval by the Court.

14 v. Legal Fees. Epps & Coulson, LLP represented Debtor for the purpose of
15 obtaining the purchaser, negotiating the terms of the Purchase Agreement, and otherwise assisting
16 Debtors to obtain the offer currently before the Court. This was necessary given the environmental
17 contamination of the Real Property and the need to re-abandon two oil wells on the Real Property. While
18 Epps & Coulson, LLP is asserting \$25,000 for these fees, Epps & Coulson significantly reduced its fee
19 to try to close the sale. Debtor seeks authority to pay these amounts from the purchase price for the Real
20 Property without seeking further approval by the Court.

21 vi. Miscellaneous Disbursements. Debtor also seeks authority to pay the
22 Natural Hazard Disclosure Report in the amount of approximately \$129.00, the Fence Removal fee in
23 the amount of approximately \$2,000, the fee for removal of personal property from the Real Property
24 in the amount of approximately \$2,500, and any amounts owing to the Franchise Tax Board in the
25 amount of approximately \$2,600. Debtor seeks authority to pay these amounts from the purchase price
26 for the Real Property without seeking further approval by the Court.

27 vi. Remaining Proceeds to Bayview. After deduction of the items set forth
28 above, which shall be paid at the close of sale and total no more than \$91,680.70, the estimated

1 remainder of the proceeds of the sale is the sum of \$843,319.30, all of which will be paid to Bayview
2 on account of its secured debt. Debtor seeks authority to pay these amounts from the purchase price for
3 the Real Property without seeking further approval by the Court.

4 **Notice of Failure to Oppose Motion and Procedure to Oppose Motion**

5 If you do not oppose the Motion, you need take no further action. However, if you oppose the
6 Motion, opposition to the Motion, must (1) be in writing, (2) conform to the requirements of the Federal
7 Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Central District of
8 California, (3) set forth the name of the objecting party, (4) set forth the basis for the objection and the
9 specific grounds therefor, (5) be filed with the Court, located at 255 E. Temple Street, Courtroom 1545,
10 Los Angeles, CA 90012, no later than May 17, 2019 at noon, and (6) deposited, via first class U.S. mail
11 for service on Debtor's Attorneys, Haberbush & Associates, LLP, at 444 West Ocean Boulevard, Suite
12 1400, Long Beach, CA 90802, no later than May 17, 2019 at noon.

13 ANY FAILURE TO TIMELY FILE AND SERVE AN OPPOSITION TO THE MOTION MAY
14 RESULT BE DEEMED BY THE COURT TO CONSENT TO THE RELIEF SOUGHT BY THE
15 MOTION AND THE COURT MAY ENTER AN ORDER GRANTING THE MOTION WITHOUT
16 FURTHER NOTICE.

17 Debtor's reply to an opposition to the Motion, if any, may be made orally at the hearing.

18 Respectfully submitted,

19
20 HABERBUSH & ASSOCIATES, LLP

21
22 By: 

23 VANESSA M. HABERBUSH, ESQ.,
24 Attorneys for Debtor and Debtor-in-Possession

25 Dated: May 8, 2019

HABERBUSH & ASSOCIATES, LLP
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